

about making it happen. We want to balance the budget.

To me, this battle is not about who wins, Democrats or Republicans. It is who wins as far as our children are concerned. Are we to continue piling up debt after debt after debt?

The President's budget, according to CBO, has \$200 billion deficits as far as the eye can see. For 7 years, 10 years, it is over \$200 billion and climbing. That is not acceptable. That is not realistic. It needs to be changed.

We are trying to convince the President he is going to have to negotiate with us to get us to a balanced budget. He says he is for a balanced budget; he just does not have one. We are producing one, and hopefully in the next couple of days we will vote on one.

Mr. President, I am optimistic. I hope the President and his advisers would quit saying "what makes me look better in the polls" instead of saying what is right for America. I know some of the President's advisers, and I know they know we can never ever get to a balanced budget unless we start curbing the growth of entitlements, which is about \$1 trillion out of a budget today that is \$1.5 trillion. They know you cannot say we are going to balance the budget and only work on a third of the budget. They know you have to work and really look at the entire budget, and that is what we are trying to do.

So I urge the President—I hope we send the President a short-term spending bill tonight. I believe the House will be taking up one soon. That bill will be a continuation—it will be a short-term spending bill, and it will also have language that we should balance the budget with real economics by the year 2002.

I hope the President receives that bill tonight. I expect he will receive that bill tonight, and I hope he will sign it. Thousands of people can go back to work and we can go back to work and we can finish our business, and that business should include balancing the budget. To me, that is not a victory for Republicans or Democrats; it is a victory for Americans. That is what we should be doing. That is what this Congress has been working on for the most part of this year, and now it is coming to a crisis point; it is coming to a head. Now is the time to do it. In my opinion, if we send the President a clean CR with language that we should be balancing the budget in 7 years, he should sign it, and I hope he will.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

A BALANCED BUDGET

Mr. THOMPSON. Mr. President, I think the Senator from Oklahoma has hit upon the real issue. I think it is important that we get back to the real issue, focus on the real issue, what all this complex debate is about. It simply boils down to whether or not we want

a balanced budget—whether or not we want a balanced budget. All the discussion, all the debate, all of the figures, all of the back and forth—do we want a balanced budget, and what are we willing to do to achieve it?

Everybody says they want a balanced budget. Everybody gives lip service to a balanced budget. We came close to passing a constitutional amendment, lacking one vote, to balance the budget, and everybody said we do not need a constitutional amendment. All we have to do is balance the budget and do the right thing. The day of reckoning now has come, and we are challenged to do the right thing.

Why does everybody admit that we have to have a balanced budget? It is because of the simple fact we are in the process of bankrupting the next generation. The fact we say it over and over again, like water rolling off a duck's back, does not make it any less true.

That is what is happening. That is why many of us ran for office. That is why many of us came here—not because we want to say no to anybody; not because it will not be more comfortable to have business as usual, continue the same programs, the same levels of spending, and making everybody happy; not because of that but because we realize that there was going to be some heavy lifting to do. That is a challenge for a serious person.

I like to think there are a lot of serious people addressing this. Now the very people who are crying the loudest over students—who are the purported defenders of the elderly and all of the other people who these large deficits are hurting and creating a Nation and an economy that will hurt them because of the deficit presided over this last 30 years with the lack of a balanced budget—perhaps can tell those of us who have not been here that long why, if they are concerned about all of these little people, they allowed this country to get into the shape of a \$5 trillion debt. They say, "Well, the Republicans were in the White House part of that time." That is true. The Democrats controlled the Congress almost all of that time. And that is true.

And half the time that I listen to the debate here it is "who shot John?" Who is the bigger person that is the most blameworthy in all of this debate? We have to get past that. We have to get past this idea that one side is for the average person and the other side is not.

The real issue here is whether or not we want to balance the budget. The President says now that he wants a balanced budget. But the American people are gradually going to focus in on the fact that the President, and those that are supporting the President in this deadlock that we are in right now, are twisting and squirming and maneuvering all the time they say they want a balanced budget to do everything in the world to avoid a balanced budget. Why would they want to

do that? Because, if we have a balanced budget, we cannot continue to spend the way that we have been spending for the last 30 or 40 years in this country. And everybody likes to spend.

In all of the congressional hearings we have up here nobody comes up here and testifies, "Please cut out our grant." Nobody comes up here and testifies that "we get too much money." Everybody loves spending. Everybody wants a little more. Everybody wants their nose in the trough, and everybody has been there for the last several decades in this country. Now we have to decide not who is going to give lip service to a balanced budget but who is willing to do what is necessary.

The fact of the matter is that the irony is if we act now, if we do a responsible thing now in order to get a balanced budget, a major step toward a balanced budget, we do not have to engage in draconian measures. We can make some incremental adjustments. We will be spending more money.

The Senator from Oklahoma pointed out that over a 7-year period we will be spending more money—\$1.9 trillion in this country. We do not have to hurt anybody. But we have to get to our job. We have to start down that road toward what everybody says they want. Everybody wants to go to Heaven. Nobody wants to do what is necessary to get there.

The President now has figured out, apparently, how we can balance the budget without really making any incremental adjustments. He decided to turn his back on his own figures that he said he wanted—the Congressional Budget Office figures over all these years to let his staff come up with new figures, and they produced about a half a trillion dollars out of thin air because they changed the estimates. They changed some estimates, projections, and figures and said, "Well, we do not really have to do anything." Of course, that will get them past the next election, will it not? It will get them past the next election before that little house of cards comes tumbling down just like every other projection in this country over the last decade has come tumbling down.

We are trying to use real figures over here. The President said during the campaign that he had a plan to balance the budget in 5 years. Then when he is submitting his budget, everybody kind of looked at it, and said, "Well, that is \$200 billion a year of deficits as far as the eye can see." They kind of acknowledge that was the case.

Then the President said, "Well, we need to balance it maybe in 10 years." Then, since that time, he has been at 7 years, 8 years, and 9 years, too, I think. I do not think he has gone back to 5 years, or anywhere along the line.

Then he submitted another document purported, I guess, to be a budget document that has the new figures in it. Lo and behold, we really do not have to make many adjustments at all because we have this windfall over \$400 billion

because he is using the figures now that he derives from his own staff. Bobbing, weaving, turning, and twisting all the time saying he wants a balanced budget but every few days coming up, "Well, we can do it in this number of years," changing to, "No. We can do it in that number of years." One of his advisers, Ms. Tyson, who says somewhere along the line we do not really need to have a balanced budget. It would hurt us to have one. The next day, I guess we really do. But we should not have it before 10 years.

Are these the comments, are these the actions, of a serious leader who really wants a balanced budget? Are these the actions of someone trying to get past the next election giving lip service to a balanced budget but not willing to do one thing—not willing to say to anybody that we cannot continue your program with a 10 percent increase a year, we can continue it maybe at 6.4 percent? I think the answer to that is clear.

But the President bobs and weaves, twists and turns, and now his latest impasse when legislation was sent down with the Medicare provision is that he cannot go along with the submission because it is raping Medicare, and we are trying to do all of these terrible things. A person dealing with the complex issue who is willing to use scare tactics—and he has the most bully of all pulpits—is going to win that argument in the short run because you can scare people on these important matters and complex issues. It takes a while for it to set in. But the truth does set in, and it will set in just like on his health care plan.

The President now says with regard to Medicare part B—and everybody acknowledges that Medicare is in terrible shape, and going bankrupt—but he wants a temporary reduction in premiums until the next election, a temporary reduction in premiums when he and all of his advisors have acknowledged in times past that premiums are going to have to be increased. What is the difference between the increase that we are saying is going to be necessary to save it and the increase that the President says is necessary? Four dollars by the year 2002; a \$4 difference. We are \$4 higher than he is.

If he can convince the senior citizens and get them so excited, and appeal to the worst instincts of the American people in terms of greed and selfishness, that they are not going to be willing to make any incremental adjustment, even to the extent of \$4 for the benefit of the next generation, then I guess this is a hopeless cause. But I do not think we have come to that point yet.

But this is what he is trying to sell. This is what he is trying to sell at a time when it is going bankrupt, at a time when everybody knows we have to make some incremental adjustments. Between now and next November he wants actually those premiums to be able to decrease at a time when every-

body knows they have to go up a little bit, and even acknowledges it but he is waiting until after the election to do it.

Why resist the balanced budget this strongly? Because spending is a hard habit to break. I guess there is nothing more attractive politically in this entire world than the proposition and the idea of being able to have your cake and eat it too. And if the American people can be convinced that the President really wants a balanced budget but that we really do not have to do anything in order to achieve it, and that anybody who suggests we have to make incremental adjustment is against students, or against his own parents, or against retirees—if a person is willing to play that game, he is going to make some points. But he is not going to win because I think people understand that is a short-term game, and that we have a long-term problem; and that, if we will face up to what we need to do, we will have to make some short-term adjustments but we will have some long-term benefits that will inure to the benefit of our children and our grandchildren that we will be extremely proud of.

The Heritage Foundation just this month issued a report using a widely regarded model of the U.S. economy and found that balancing the Federal budget between 1996 and 2002, and cutting taxes, caused the economy generally to grow more than not balancing the budget and cutting taxes. According to this simulation that they used, the balanced budget plan with tax relief would mean that gross domestic product would grow by \$10.8 billion more than under current law by the year 2002. If we balanced the budget, we would get an additional \$32 billion in real disposable income over that period of time. If we balanced the budget, we would have an additional \$66.2 billion in consumption expenditures over that period of time. If we balanced the budget, we would have an additional \$88.2 billion in real nonresidential fixed investment over that period of time.

If we balanced the budget, we would have a decrease of four-tenths of 1 percent in the conventional mortgage rate in this country. That means that a balanced budget with tax relief will save a home borrower of \$100,000 about \$10,000 over the life of a 30-year mortgage. If we are concerned about working people and middle-income people in this country, we need to balance the budget. People out here trying to buy a home, seeing their wages stagnated, young working people's wages actually going down, interest rates being what they are, trying to borrow, what are they going to be if we do not balance the budget? The tax rate, some say, will be 70, 80 percent if we do not balance the budget—astronomical interest rates.

Here is the result if we do balance it: additional construction of over 104,000 new family homes over the next 7 years; the additional sales of 100,000 automobiles over the next 7 years

worth \$10 billion, and a decrease of 7 percent in the growth rate of the Consumer Price Index, a decrease in the Consumer Price Index for things that average people go to K-Mart, Wal-Mart, or whatever, and buy.

It is not all gloom and doom. It is not all gloom and doom. We are going to have to reduce the rate of growth in some of these programs without question. But after that, we stand to see real long-term benefits in this country.

So again, Mr. President, let us get back to the real issue. The real issue is whether or not we really want to balance the budget in this country and whether or not we really want to give any more than lip service to it. We are at a point now where we are either going to put up or shut up.

The President of the United States needs to know that there are many of us here who would like to work with the President. We would like to do this thing together. I think ultimately we are going to have to do a lot over the next several years to get this job done. It is not a 1-year deal. Ultimately, it is going to have to be Democrats and Republicans together, it is going to have to be the Congress and the White House. I would like to get on about that. But if he is going to continue to stand in the way of what we all know has to be done, he ought to know there are some people in town who are just as stubborn as he is. And if we were not willing to finish the job we came here to do, we would not have taken the job in the first place.

ORDER OF PROCEDURE

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Senate now stand in recess subject to the call of the Chair.

Mr. EXON. I object.

The PRESIDING OFFICER (Mr. GRAMS). Is there objection?

Mr. EXON. I object.

Mr. THOMPSON. I suggest the absence of a quorum.

Mr. BUMPERS. Will the Senator yield for 1 minute? Will the Senator yield for 1 minute prior to the quorum call?

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. THOMPSON. I object.

Mr. NICKLES. I object.

The PRESIDING OFFICER. Is there objection? Objection is heard.

The clerk will continue to call the roll.

The legislative clerk continued with the call of the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. NICKLES. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to call the roll.